



Written by [Jack Kenny](#) on April 14, 2010

Scott Brown on Fence Over Bank Bill

Scott Brown, the Massachusetts Republican who rode opposition the Obama healthcare plan to victory in January's special election to the U.S. Senate, is still uncommitted on the next big legislative battle, the fight over a Democratic bill to overhaul regulation of the nation's banking industry.



While Republican leader Sen. Mitch McConnell of Kentucky is leading the opposition, Brown yesterday was not ready to say whether he would join a possible GOP filibuster to block the bill, which is backed by President Obama. Brown told the *Boston Globe* he had just returned from a trip to Afghanistan and Pakistan and could only offer general comments on the bill.

"We shouldn't always be bailing out banks. I mean, we need to basically find a way to protect small banks, and community banks, and credit unions, and individual consumers," Brown said. Brown said Obama was using the financial crisis to score political points. "It's disappointing, and the people deserve better," he said.

The bill, sponsored by Bank Committee Chairman Christopher Dodd of Connecticut, would give the government unprecedented power to break up large financial firms, establish a council of regulators to watch for risks to the finance industry, and create an independent consumer watchdog called the Consumer Financial Protection Agency. It would also give failing banks a way to go into bankruptcy and would give the government authority over executive pay packages that encourage excessive risk.

Dodd introduced the bill on March 15, 18 months after the financial meltdown that triggered a major recession and led to a massive government rescue of major investment and banking firms. While the current bill authorizes no rescue funds, Republicans argue that it will open the door to future government bailouts and takeovers of troubled firms.

"We cannot allow endless taxpayer-funded bailouts for big Wall Street banks," McConnell said. "The way to solve this problem is to let the people who make the mistakes pay for them. We won't solve this problem until the biggest banks are allowed to fail."

But if Brown remains on the fence, many Republicans have been on both sides of it. McConnell and 34 other Senate Republicans voted for the 2008 legislation that allowed the Treasury Department to purchase up to \$700 billion in troubled assets. The bill passed by a 74-to-25 vote, though the Wall Street "bailout" remains unpopular with the public. Polls also show, however, that the public favors tighter regulations of Wall Street. Nearly two-thirds of all voters — and 61 percent of independents — want Congress to pass stronger regulations on financial institutions, according to a Zogby International poll of 3,351 likely voters conducted earlier this month.

Dodd's bill passed in the Banking Committee on a party line vote, 13- 10, after Republicans withdrew



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more than 300 amendments they had offered. The House in December passed its regulatory bill, sponsored by Massachusetts Democrat Barney Frank, Chairman of the Financial Services Committee. Frank believes the banking regulations are an easier sell than the healthcare reform was. In the healthcare debate, Frank told the *Globe*, “people thought: It’s my government against my doctor. Now it’s the government against the financial institution and the government becomes more popular.”

But the legislation would impose fees on banks to create a \$50 billion fund that could be used to liquidate a failing institution. Republicans say that banks would simply pass these fees on to consumers, hitting average Americans in the pocketbook, and that the government would have to pay more than \$50 billion in another banking crisis.

The legislation is being offered at a time when the federal government already owns the troubled assets of many of the nation’s large financial firms and has ventured into the auto industry as well, becoming the majority owner of General Motors. Concerns about a government-controlled economy are competing with Republicans’ fears of being seen as the defenders of Wall Street. The addition of Brown has given the Republicans the 41st vote they need to block a motion to cut off debate, which requires a three-fifths vote. But it remains to be seen if the minority party is willing to fight the bill with a filibuster. Dodd and his staff are said to be negotiating with the Republicans over possible compromises and Obama has also been meeting with members of both parties about the bill. But Dodd told reporters this week the bill will pass, with or without bipartisan support.

“We’re going to have a bill up,” Dodd said. “If people come along and want to be a part of the bill, fine. If they don’t, fine. I mean, we’ll do it either way — do it flat, do it round.”

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